

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

October 23, 1995

ALL COUNTY LETTER NO. 95-61

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☒ Federal Law or Regulation Change
- ☒ Court Order
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: Temporary Worker's Compensation as Earned Income in Aid to Families With Dependent Children (AFDC) and Implementation of the Sawyer v. Anderson Court Case

REFERENCES: MPP 44-101.5, MPP 63-502.142, ACLs 94-49, 95-58

BACKGROUND

The purpose of this letter is to inform the County Welfare Departments (CWDs) about a change in Federal policy, the settlement of the Sawyer v. Anderson Court Case, and to provide instructions for statewide implementation.

CHANGE IN FEDERAL POLICY

On May 27, 1994, Action Transmittal (AT) 94-12 was issued to be effective immediately. The purpose of AT 94-12 was "to reinterpret policy with respect to certain temporary disability insurance payments and Temporary Worker's Compensation (TWC) payments". AT 94-12 changed the treatment of TWC payments from unearned income to earned income which results in eligibility for applicable work incentive disregards in the AFDC Program. TWC payments referred to in this letter is also known as Temporary Disability Indemnity payments. AT 94-12 does not apply to one time settlements of permanent worker's compensation benefits or continuing payments of permanent worker's compensation benefits.

COURT CASE RETROACTIVE PERIOD

Prior to receipt of the federal policy change, the Sawyer v. Anderson court case was filed. This case challenged the California Department of Social Services' treatment of TWC payments as unearned income. The retroactive period covered by this case is January 1, 1991 through December 31, 1995. However, benefits for the period prior to July 1992 will only be paid if the receipt of AFDC and TWC payment is indicated in the case record during the time period of January 1, 1991 through June 30, 1992. If the case record no longer exists or does not indicate receipt of a TWC payment, no benefits will be granted.

CLAIM PERIOD

The claim period starts on January 1, 1996 and ends March 31, 1996. A claim form (Temp 2107) is attached.

CASE IDENTIFICATION

Potential class members will be identified using one of the following three methods:

1. Flagged Cases:

Cases flagged in accordance with All County Letter No. 94-49 are to have their grants recalculated using the appropriate earned income disregards. These flagged cases will be reimbursed no later than June 30, 1996.

2. Automated case search:

Counties that have an ability to do an automated search will screen cases for eligibility back to December 1994.

3. Posters:

A poster informing the potential claimants about the possibility of retroactive benefits will follow under separate cover on or about December 15, 1995. This poster, informing potential class members that they can make a claim, is to be displayed in county welfare district offices from January 2, 1996 through March 31, 1996.

NOTICES OF ACTION (NOA)s

NOAs are attached to this letter. Counties are to use these NOAs to approve or deny the claim, or to request additional information. If the CWD requests additional information, the claimant is to be given 30 days to return the information. If the information is not returned within the 30 days, the claim will be denied. Translations of these NOAs will follow under separate cover.

OVERPAYMENTS

Before issuing any retroactive underpayment, counties must review the case to confirm that class members do not have any existing overpayment(s). Retroactive benefits due and owing must be offset against any outstanding overpayments as required by MPP 44-340.42.

STATISTICAL REPORTING

Counties are required to complete the attached statistical report by August 15, 1996, to comply with the settlement orders.

ONGOING CASES AND NEW APPLICANTS

Ongoing cases and new applicants which receive TWC will have their TWC income treated as earned income effective January 1, 1996.

FOOD STAMPS

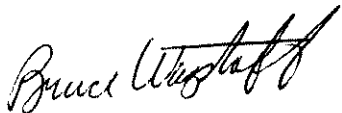
The treatment of TWC payments in the Food Stamp program has not changed. TWC payments are still considered unearned income.

FISCAL CLAIMING:

Corrective underpayments and ongoing benefits are eligible for Federal Financial Participation. Normal claiming procedures apply for these payments and standard sharing ratios will be used. No interest will be paid on retroactive benefits.

If you have any questions about the impact of this transmittal on the Food Stamp Program, please call Ms. Maria Tarango at (916) 654-1883. If you have any questions about statistical reporting, please call Mr. Levy St Mary at (916) 653-5170. If you have any questions about the court case please call Mr. Vincent Toolan at (916) 654-1808. If you have any questions regarding the policy and its impact on the AFDC Program please call Ms. Julie Lopes at (916) 654-1786.

Sincerely,



BRUCE WAGSTAFF
Deputy Director
Welfare Programs Division

Attachment

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

A court order says you've been under paid.

As of _____, the county has approved your back cash aid for \$ _____.

The Worker's Compensation Temporary Disability Indemnity (TDI) payments that you got for the month(s) of _____ are now eligible for disregards.

Here's why:

A court order says we have to change the way TDI payments are treated when figuring cash aid. TDI payments you got before were figured as Other Countable Income but are now eligible for Earned Income Disregards. Disregards lower the amount of income that is counted against your cash aid.

If you are eligible for back cash aid because of this court order it will not count against your current cash aid.

Please tell us if you also got TDI payments between January 1991 and June 1992. If you did, you may be eligible for more back cash aid.

Monthly Cash Aid Amount

Your Countable Income In

(MONTH/YEAR)

Total Earned Income..... \$ _____
Work Expense Disregard..... - _____
\$30 and 1/3 Disregard..... - _____
Dependent Care Disregard..... - _____
Other Countable Income -- List Sources:

_____ + _____
_____ + _____
_____ + _____
Court Ordered Support Paid..... - _____
Net Countable Income..... = _____

Your Cash Aid In

(MONTH/YEAR)

Basic Aid for, _____ Persons \$ _____
Special Needs + _____
Subtotal = _____
Net Countable Income..... - _____
Cash Aid Subtotal..... \$ _____
Overpayment adjustment - _____
Maximum Aid for _____ Persons \$ _____
Monthly Cash Aid Amount _____

TOTAL BACK PAYMENT (all months)..... \$ _____

Overpayment Balance \$ _____
Back Payment - _____
You still owe us = \$ _____

Rules: These rules apply: You may review them at your welfare office: MPP 44-101, 44-101.51. Sawyer v. Anderson

To Ask For a State Hearing

- You only have 90 days to ask for a hearing. The 90 days started the day after we gave or mailed you this notice.
- You have a much shorter time to ask for a hearing if you want to keep your same benefits.

You must ask for a hearing before the action takes place.

- Your Cash Aid will stay the same until your hearing.
- Your Medi-Cal will stay the same until your hearing.
- Your Food Stamps will stay the same until the hearing or the end of your certification period, whichever is earlier.
- Your Transitional Child Care (TCC) will stay the same until the hearing or the end of your eligibility period, whichever is earlier. **For all other child care programs, your benefits will NOT stay the same until your hearing.**
- If the hearing decision says we are right, you will owe us for any extra cash aid or food stamps you got.

If you want your Cash Aid or Food Stamps cut while you wait for a hearing, check one or both boxes.

- ☐
- Cash Aid
- ☐
- Food Stamps

You can ask about your hearing rights or free legal aid at the state information number.

Call toll free: 1-800-952-5253

If you are deaf and use TDD, call: 1-800-952-8349

You may get free legal help at your local legal aid office or welfare rights group.

Child and/or Medical Support: The District Attorney's office will help you collect support even if you are not on cash aid. There is no cost for this help. If they now collect support for you, they will keep doing so unless you tell them in writing to stop. They will send you any current support money collected. They will keep past due money collected that is owed to the county.

Family Planning: Your welfare office will give you information when you ask for it.

Hearing File: If you ask for a hearing, the State Hearing Office will set up a file. You have the right to see this file. The State may give your file to the Welfare Department, the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. (W. & I. Code Section 10950).

The best way to ask for a hearing is to fill out this page. Make a copy of the front and back for your records. Then, send or take this page to:

Your worker will get you a copy of this page if you ask. Another way to ask for a hearing is to call 1-800-952-5253. If you are deaf and use TDD, call: 1-800-952-8349.

I want a hearing because of an action by the Welfare Department
of _____ County about my

- ☐ Cash Aid ☐ Food Stamps ☐ Medi-Cal ☐ Child Care
☐ Other (list) _____

Here's why:

- ☐ Check here and add a page if you need more space.
- ☐ I want the person named below to represent me at this hearing.
I give my permission for this person to see my records or come
to the hearing for me.

NAME _____

ADDRESS _____

- ☐ I need a free interpreter.
My language or dialect is: _____

My name: _____

Address: _____

Phone: _____

My case number: _____

My signature: _____

Date: _____

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

As of _____, the county is changing your monthly cash aid from \$ _____ to \$ _____.

Here's why:

A court says the Worker's Compensation Temporary Disability Indemnity (TDI) payments that you get are eligible for Earned Income Disregards. Disregards lower the amount of income that we count against your cash aid.

Your new cash aid amount is figured on this page.

Monthly Cash Aid Amount

Your Countable Income In

(MONTH/YEAR)

Total Earned Income	\$ _____
Work Expense Disregard	- _____
\$30 and 1/3 Disregard	- _____
Dependent Care Disregard	- _____
Other Countable Income -- List Sources:	
_____	+ _____
_____	+ _____
_____	+ _____
Court Ordered Support Paid	- _____
Net Countable Income	= _____

Your Cash Aid In

(MONTH/YEAR)

Basic Aid for, _____ Persons	\$ _____
Special Needs	+ _____
Subtotal	= _____
Net Countable Income	- _____
Cash Aid Subtotal	\$ _____
Overpayment adjustment	- _____
Maximum Aid for _____ Persons	\$ _____
Monthly Cash Aid Amount you should have gotten	\$ _____
Monthly Cash Aid Amount you got	- _____
Back Cash Aid Amount	\$ _____
Monthly Cash Aid Amount	\$ _____
TOTAL BACK PAYMENT (all months)	\$ _____
Overpayment Balance	\$ _____
Remaining Back Payment	- _____
You still owe us	= \$ _____

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You must ask for a hearing before the action takes place.

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- Your Food Stamps will stay the same until the hearing or the end of your certification period, whichever is earlier.
- Your Transitional Child Care (TCC) will stay the same until the hearing or the end of your eligibility period, whichever is earlier. **For all other child care programs, your benefits will NOT stay the same until your hearing.**
- If the hearing decision says we are right, you will owe us for any extra cash aid or food stamps you got.

If you want your Cash Aid or Food Stamps cut while you wait for a hearing, check one or both boxes.

- ☐ Cash Aid ☐ Food Stamps

You can ask about your hearing rights or free legal aid at the state information number.

Call toll free: 1-800-952-5253

If you are deaf and use TDD, call: 1-800-952-8349

You may get free legal help at your local legal aid office or welfare rights group.

Child and/or Medical Support: The District Attorney's office will help you collect support even if you are not on cash aid. There is no cost for this help. If they now collect support for you, they will keep doing so unless you tell them in writing to stop. They will send you any current support money collected. They will keep past due money collected that is owed to the county.

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☐ Other (list) _____

Here's why:

- ☐ Check here and add a page if you need more space.
- ☐ I want the person named below to represent me at this hearing.
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to the hearing for me.

NAME

ADDRESS

- ☐ I need a free interpreter.

My language or dialect is:

My name:

Address:

Phone:

My case number:

My signature:

Date:

NOTICE OF ACTION

(Continued)

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date _____
Case _____
Name _____
Number _____

Monthly Cash Aid Amount Your Countable Income In

(MONTH/YEAR) _____
Total Earned Income..... \$ _____
Work Expense Disregard..... - _____
\$30 and 1/3 Disregard..... - _____
Dependent Care Disregard..... - _____
Other Countable Income (list sources) _____
+ _____
+ _____
+ _____
Court Ordered Support Paid..... - _____
Net Countable Income..... = _____

Your Cash Aid In

(MONTH/YEAR) _____
Basic Aid for _____ Persons..... \$ _____
Special Needs + _____
Subtotal = _____
Net Countable Income..... - _____
Cash Aid Subtotal..... \$ _____
Overpayment adjustment - _____
Maximum Aid for _____ Persons..... \$ _____
Monthly Cash Aid Amount you should
have gotten..... \$ _____
Monthly Cash Aid Amount you got..... - _____
Back Cash Aid Amount..... \$ _____

Monthly Cash Aid Amount Your Countable Income In

(MONTH/YEAR) _____
Total Earned Income..... \$ _____
Work Expense Disregard..... - _____
\$30 and 1/3 Disregard..... - _____
Dependent Care Disregard..... - _____
Other Countable Income (list sources) _____
+ _____
+ _____
+ _____
Court Ordered Support Paid..... - _____
Net Countable Income..... = _____

Your Cash Aid In

(MONTH/YEAR) _____
Basic Aid for _____ Persons..... \$ _____
Special Needs + _____
Subtotal = _____
Net Countable Income..... - _____
Cash Aid Subtotal..... \$ _____
Overpayment adjustment - _____
Maximum Aid for _____ Persons..... \$ _____
Monthly Cash Aid Amount you should
have gotten..... \$ _____
Monthly Cash Aid Amount you got..... - _____
Back Cash Aid Amount..... \$ _____

Monthly Cash Aid Amount Your Countable Income In

(MONTH/YEAR) _____
Total Earned Income..... \$ _____
Work Expense Disregard..... - _____
\$30 and 1/3 Disregard..... - _____
Dependent Care Disregard..... - _____
Other Countable Income (list sources) _____
+ _____
+ _____
+ _____
Court Ordered Support Paid..... - _____
Net Countable Income..... = _____

Your Cash Aid In

(MONTH/YEAR) _____
Basic Aid for _____ Persons..... \$ _____
Special Needs + _____
Subtotal = _____
Net Countable Income..... - _____
Cash Aid Subtotal..... \$ _____
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Monthly Cash Aid Amount you should
have gotten..... \$ _____
Monthly Cash Aid Amount you got..... - _____
Back Cash Aid Amount..... \$ _____

Monthly Cash Aid Amount Your Countable Income In

(MONTH/YEAR) _____
Total Earned Income..... \$ _____
Work Expense Disregard..... - _____
\$30 and 1/3 Disregard..... - _____
Dependent Care Disregard..... - _____
Other Countable Income (list sources) _____
+ _____
+ _____
+ _____
Court Ordered Support Paid..... - _____
Net Countable Income..... = _____

Your Cash Aid In

(MONTH/YEAR) _____
Basic Aid for _____ Persons..... \$ _____
Special Needs + _____
Subtotal = _____
Net Countable Income..... - _____
Cash Aid Subtotal..... \$ _____
Overpayment adjustment - _____
Maximum Aid for _____ Persons..... \$ _____
Monthly Cash Aid Amount you should
have gotten..... \$ _____
Monthly Cash Aid Amount you got..... - _____
Back Cash Aid Amount..... \$ _____

NOTICE OF ACTION

COUNTY OF _____

STATE OF CALIFORNIA
HEALTH AND WELFARE AGENCY
DEPARTMENT OF SOCIAL SERVICES

Notice Date : _____
Case Name : _____
Number : _____
Worker Name : _____
Number : _____
Telephone : _____
Address : _____

(ADDRESSEE)

Questions? Ask your Worker.

State Hearing: If you think this action is wrong, you can ask for a hearing. The back of this page tells how. Your benefits may not be changed if you ask for a hearing before this action takes place.

We have denied your claim for back cash aid for the month of _____ dated _____.

Here's why:

Between July 1, 1992 and December 31, 1995

- ☐ You were not eligible for cash aid.
- ☐ You did not receive Worker's Compensation Temporary Disability Indemnity (TDI) payments.
- ☐ You did not turn in your CA 7 on time in the month you claimed.

- ☐ You did not give us your claim by March 31, 1996
- ☐ You did not return a complete claim form by _____

You did not apply for cash aid from this County.

The claim must go to the County where you applied for and got cash aid between July 1, 1992 and December 31, 1995.

- ☐ You must send your claim to the right County by _____
- ☐ We have sent your claim to _____ County. You will get another notice from them.
- ☐ Other:

Rules: These rules apply; you may review them at your welfare office: MPP 44-101, 44-101.51, Sawyer v. Anderson

YOUR HEARING RIGHTS

To Ask For a State Hearing

- You only have 90 days to ask for a hearing. The 90 days started the day after we gave or mailed you this notice.
- You have a much shorter time to ask for a hearing if you want to keep your same benefits.

To Keep Your Same Benefits While You Wait For a Hearing

You must ask for a hearing before the action takes place.

- Your Cash Aid will stay the same until your hearing.
- Your Medi-Cal will stay the same until your hearing.
- Your Food Stamps will stay the same until the hearing or the end of your certification period, whichever is earlier.
- Your Transitional Child Care (TCC) will stay the same until the hearing or the end of your eligibility period, whichever is earlier. **For all other child care programs, your benefits will NOT stay the same until your hearing.**
- If the hearing decision says we are right, you will owe us for any extra cash aid or food stamps you got.

To Have Your Benefits Cut Now

If you want your Cash Aid or Food Stamps cut while you wait for a hearing, check one or both boxes.

- ☐
- Cash Aid
- ☐
- Food Stamps

To Get Help

You can ask about your hearing rights or free legal aid at the state information number.

Call toll free: 1-800-952-5253

If you are deaf and use TDD, call: 1-800-952-8349

You may get free legal help at your local legal aid office or welfare rights group.

Other Information

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Hearing File: If you ask for a hearing, the State Hearing Office will set up a file. You have the right to see this file. The State may give your file to the Welfare Department, the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. (W. & I. Code Section 10950).

HOW TO ASK FOR A STATE HEARING

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Your worker will get you a copy of this page if you ask. Another way to ask for a hearing is to call 1-800-952-5253. If you are deaf and use TDD, call: 1-800-952-8349.

HEARING REQUEST

I want a hearing because of an action by the Welfare Department
of _____ County about my

- ☐ Cash Aid ☐ Food Stamps ☐ Medi-Cal ☐ Child Care
☐ Other (list) _____

Here's why: _____

- ☐ Check here and add a page if you need more space.
- ☐ I want the person named below to represent me at this hearing.
I give my permission for this person to see my records or come to the hearing for me.

NAME _____

ADDRESS _____

- ☐ I need a free interpreter.
My language or dialect is: _____

My name: _____

Address: _____

Phone: _____

My case number: _____

My signature: _____

Date: _____

WELFARE MAY OWE YOU MONEY

YES**NO**☐☐

Between July 1992 and December 1995 did any relative living in your home receive Worker's Compensation Temporary Disability Indemnity (TDI) payments?

☐☐

Did that relative also get cash aid or Medi-Cal benefits at the same time he/she received the TDI?

If you said "Yes" to both questions, you may be eligible for back money. This back money will not count against your cash aid, food stamps or Medi-Cal as income in the month you get it and the next month.

If you answered "Yes" to both of the above questions, complete the following information:

Between July 1992 and December 1995, when did the person getting TDI start receiving the payment?

(MONTH(S))_____
(YEAR(S))

What county/counties was the person living in when the cash aid decreased or stopped or the Medi-Cal share of cost increased because of the TDI payment?

(COUNTY)_____
(COUNTY)

What was the Case Number (if known)

Enter the Social Security Number of the person who was getting the TDI payment.

_____-_____-_____
(SSN)

Enter the date of birth of the person who was getting the TDI payment.

(MO)_____
(DAY)_____
(YEAR)

Print the name of the person who was getting the TDI payment.

(FIRST NAME)_____
(LAST NAME)

What is your current address:

(STREET)_____
(CITY)_____
(STATE/ZIP CODE)

I declare under penalty of perjury under the laws of the United States of America and the State of California that the information in this claim form is true, correct, and complete.

SIGNATURE _____

DATE _____

COURT CASE STATISTICAL REPORT

SEND ONE COPY TO:

Department of Social Services
Information Services Bureau
744 P Street, M.S. 12-81
Sacramento, CA 95814
(916) 653-4180

SAWYER V. ANDERSON

NAME OF COUNTY SUBMITTING REPORT

THIS REPORT IS DUE ON OR BEFORE:

August 15, 1996**THIS REPORT IS:**☐ ORIGINAL SUBMISSION ☐ SUBSEQUENT REPORT NO. _____ ☐ REVISION NO. _____**REPORTING PERIOD:****FROM: January 1, 1996****TO: March 31, 1996**

1. Total number of claims submitted.....
2. Total number of claims paid.....
3. Total number of cases denied.....
4. Total expenditures paid.....

NOTE: THIS REPORT IS FOR AFDC DATA ONLY**TO BE USED ONLY UPON INSTRUCTIONS FROM THE CALIFORNIA DEPARTMENT OF SOCIAL SERVICES**

PERSON TO CONTACT REGARDING THIS REPORT

TELEPHONE NUMBER

DATE